
SENATE JOINT MEMORIAL 8015

State of Washington

57th Legislature

2001 Regular Session

By Senators Finkbeiner, T. Sheldon, Kline, Sheahan, Morton, Rossi, Oke, Rasmussen and Fraser

Read first time 02/09/2001. Referred to Committee on Environment, Energy & Water.

1 TO THE HONORABLE GRAY DAVIS, GOVERNOR OF CALIFORNIA, LORETTA LYNCH,
2 PRESIDENT OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION, JOHN BURTON,
3 PRESIDENT PRO TEM OF THE CALIFORNIA STATE SENATE, ROBERT HERTZBERG,
4 SPEAKER OF THE CALIFORNIA STATE ASSEMBLY, MEMBERS OF THE CALIFORNIA
5 STATE SENATE COMMITTEE ON ENERGY, UTILITIES, & COMMUNICATIONS, AND TO
6 MEMBERS OF THE CALIFORNIA STATE ASSEMBLY COMMITTEE ON ENERGY COSTS AND
7 AVAILABILITY:

8 We, your Memorialists, the Senate and House of Representatives of
9 the State of Washington, in legislative session assembled, respectfully
10 represent and petition as follows:

11 WHEREAS, The California energy crisis, brought on in significant
12 part by the restructuring of the California retail electricity market,
13 has caused wholesale power prices throughout the western United States
14 to increase dramatically; and

15 WHEREAS, Unprecedented increases in wholesale power costs have put
16 tremendous financial strain on Washington utilities that rely, to
17 varying degrees, on the wholesale market to serve Washington consumers;
18 and

19 WHEREAS, Several Washington electric and gas utilities have
20 responded to this situation by adopting significant rate increases,
21 ranging on average from thirty to sixty percent for residential

1 customers and even higher increases for commercial and industrial
2 customers, in an effort to maintain their financial stability; and

3 WHEREAS, The federal Department of Energy has issued emergency
4 orders requiring certain Washington utilities to sell surplus power to
5 California without providing any assurance of repayment, through either
6 federal or state guarantees on the purchases made by financially
7 unstable California utilities; and

8 WHEREAS, The California Public Utilities Commission has approved
9 temporary rate increases of one cent per kilowatt hour for customers of
10 Pacific Gas & Electric Company and Southern California Edison Company;
11 and

12 WHEREAS, These temporary increases equate to approximately nine
13 percent for California residential customers, seven percent for small
14 business customers, twelve percent for medium business customers, and
15 fifteen percent for large commercial and industrial customers; and

16 WHEREAS, It is just and reasonable to require additional rate
17 increases for the customers of Pacific Gas & Electric Company and
18 Southern California Edison Company in order to increase the likelihood
19 of their ability to repay Washington utilities; and

20 WHEREAS, It is fair and equitable for the state of California to
21 provide a payment guarantee on behalf of Pacific Gas & Electric Company
22 and Southern California Edison Company for any purchases made by them
23 from Washington utilities as a result of the Department of Energy
24 emergency orders;

25 NOW, THEREFORE, Your Memorialists respectfully pray that the state
26 of California require rate increases for California utility customers
27 to guarantee payment for the power it receives from Washington state.

28 BE IT RESOLVED, That copies of this Memorial be immediately
29 transmitted to the Honorable Gray Davis, Governor of California,
30 Loretta Lynch, President of the California Public Utilities Commission,
31 John Burton, President Pro Tem of the California State Senate, Robert
32 Hertzberg, Speaker of the California State Assembly, Members of the
33 California State Senate Committee on Energy, Utilities, &
34 Communications, and Members of the California State Assembly Committee
35 on Energy Costs and Availability.

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